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**FISCAL IMPACT STATEMENT**

**LS 6350**

**BILL NUMBER:** HB 1110

**NOTE PREPARED:** Dec 7, 2005

**BILL AMENDED:**

**SUBJECT:** Recycling of Mercury Components in Motor Vehicles.

**FIRST AUTHOR:** Rep. Brown T

**BILL STATUS:** As Introduced

**FIRST SPONSOR:**

**FUNDS AFFECTED:**     **GENERAL**  
                          **X DEDICATED**  
                          **FEDERAL**

**IMPACT:** State

**Summary of Legislation:** This bill requires a manufacturer of motor vehicles offered for sale in Indiana to develop and implement a plan to remove, replace, collect, and recover mercury switches from motor vehicles. It prohibits the sale of motor vehicles that contain mercury-added components, beginning with the 2009 model year. It provides for certain exceptions.

The bill establishes the Mercury Switch Removal Fund to implement mercury switch removal plans. The bill also imposes mercury switch removal fees on vehicle registrations and titles, and requires deposit of those fees in the Fund.

**Effective Date:** July 1, 2006.

**Explanation of State Expenditures:** This bill requires the Indiana Department of Environmental Management (IDEM) to use the Mercury Switch Removal Fund to pay for expenses related to implementing the mercury switch removal plans developed by motor vehicle manufacturers. Because the bill provides for the motor vehicle manufacturers to pay for costs not paid by the Department via the Mercury Switch Removal Fund, it is presumed expenses related to the implementation of manufacturers' plans will not exceed fee revenue deposited in the Fund.

**Explanation of State Revenues:** This bill imposes a \$2 fee on motor vehicles subject to registration in Indiana. The bill also imposes a \$1 fee on motor vehicles titled by dealers in Indiana. Together, the two fees would generate about \$13.5 M, which would be deposited in the Mercury Switch Removal Fund.

According to the Bureau of Motor Vehicles, approximately 6.7 M motor vehicles were registered and nearly 79,000 vehicles were titled by dealers in CY 2004. A \$2 fee applied to 6.7 M vehicle registrations would generate approximately \$13.4 M, and the \$1 fee would generate approximately \$79,000.

The bill also provides that money deposited in the Fund does not revert to the General Fund at the end of the state fiscal year, and expenses of administering the Fund shall be paid from money in the Fund.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** IDEM.

**Local Agencies Affected:**

**Information Sources:**

**Fiscal Analyst:** Valerie Ruda, 317-232-9867.